PRIME

HEALTH SAVINGS ACCOUNT (HSA)



A Health Savings Account (HSA) is one of the most tax-advantaged savings vehicles available. If you're enrolled in a qualifying high-deductible health plan, you can contribute money to an HSA and use those funds to pay for eligible medical expenses.

What makes an HSA unique is its triple tax advantage: contributions are generally tax-deductible, growth within the account is tax-free, and withdrawals used for qualified medical expenses are also tax-free. Because of this, many financial professionals consider HSAs to be one of the most powerful long-term planning tools available.

While HSAs are commonly used to cover current healthcare costs, they can also serve as a valuable savings vehicle for future medical expenses in retirement. Funds generally remain in the account year after year, allowing balances to accumulate and potentially grow over time.

QUALIFICATIONS

The primary requirement for an HSA is enrollment in a qualifying high-deductible health plan (HDHP). If you're covered by a traditional health insurance plan, you generally will not be eligible to make HSA contributions.

Beyond that, this strategy tends to be particularly valuable if:

- **You have consistent taxable income.** The deduction becomes more impactful as your income increases.
- **You want another tax-advantaged savings vehicle.** Many business owners already take advantage of retirement accounts and are looking for additional ways to reduce taxable income.
- **You can afford to pay some medical expenses out of pocket.** This allows HSA funds to remain invested and continue growing tax-free for future use.
- **You expect healthcare expenses in retirement.** Most people will incur medical costs as they age, making an HSA a practical way to prepare for those future expenses.

IMPLEMENTATION

For a detailed implementation checklist and other helpful resources, scan the QR code below or click **here**.

GOT QUESTIONS?

Email **decoder@primecorporateservices.com** or contact **(855) 577-4639** for more information.

©2026 Prime Corporate Services. All Rights Reserved.